



A MARKET STUDY ON PERCEPTION OF DIGITAL MARKETING ADOPTION BY SME'S IN MANUFACTURING SECTOR IN COIMBATORE CITY, TAMIL NADU

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ABSTRACT

The purpose of this research was to investigate the perception about digital marketing adoption by SME's in manufacturing sector in Coimbatore City, Tamilnadu. The problems are identified and the objectives are framed. The objective of the research was to identify the benefits, barriers, importance and the effectiveness of digital marketing. The research reviews the academic literature and recent survey reports on digital marketing adoption. Based on the literature review, the conceptual framework has been developed to explain the overall digital marketing adoption by SMEs. The study was limited to small sample with fixed geographic location. The researchers surveyed 80 SMEs using structured questionnaires to examine their perception about digital marketing adoption by SMEs. Various statistical tools were used to analyse the data. The findings, suggestions and conclusion were then summarised.

The study reveals that most of the SMEs have still not implemented digital marketing due to various factors such as lack of awareness of technology, lack of qualified staff to support digital activities, limited financial resources, and low computer literacy. The SMEs who have adopted digital marketing find it to be more effective than traditional in terms of reduced cost, Increased customer awareness, Increased sales, Global reach etc.... Findings provide more evidence on digital marketing adoption views by SMEs. Furthermore, the survey also suggested that SMEs can adopt the digital marketing by creating website, listing themselves in online directory listings and online trade portals with reduced cost and also Government can support SMEs by creating awareness campaign and providing incentives. SMEs can utilise the free trainings provided by the digital technology leaders like Google digital India where the basics of digital marketing training will be provided and on completion a certificate will be awarded.

CHAPTER 1

1.1 Introduction:

Marketing is an important aspect as it is a heart of businesses success and it contains numerous effective tools. Most aspects of your business depend on successful marketing. The overall marketing umbrella covers advertising, public relations, promotions and sales. Marketing is a process by which a product or service is introduced and promoted to potential customers. Without marketing, your business may offer the best products or services in your industry, but none of your potential customers would know about it. Without marketing, sales may crash and companies may have to close.

Various marketing minds have defined 'Marketing' in beautiful words. Some of them are:

Philip Kotler defined "Marketing is the set of human activities directed at facilitating and communicating executives."

British Institute of Marketing defined: "Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements possibility."

Peter Drucker defined, "It is in marketing that we satisfy individual and social values, needs and wants be it through producing goods, supplying services, posturing innovations or creating satisfaction."

For a business to succeed, the product or service it provides must be known to potential buyers. Unless your business is known in the community and have communication with your customers readily available, you have to use marketing strategies to create product or service awareness. Without marketing, your potential customers may never be aware of your business offerings and your business may not be given the opportunity to progress and succeed. Using marketing to promote your product, service and company provides your business with a chance of being discovered by prospective customers. Once your product, service or company gets on the radar screen of your prospects, it increases your chances that consumers will make a purchase. As awareness becomes a reality, it is also the point where new customers start to spread the word, about your product; your sales will steadily increase as the word spreads. Without employing marketing strategies, these sales may not have ever happened; without sales, a company cannot succeed. Marketing builds brand name recognition or product recall with a company. When a company reaches the high expectations of the public, its reputation stands on firmer ground. As your reputation grows, the business expands and sales increase. The reputation of your company is built through active participation in community programs, effective communication externally and quality products or services, which are created or supported by marketing efforts.

Marketing efforts get the word out on pricing of products and services, which not

only reaches the intended consumers, but also reaches other companies competing for the consumers' business. As opposed to companies that have a monopoly on products and services that can charge almost any price, marketing helps keep pricing competitive for a business to try to win over consumers before its competition does. Without competition, well known companies would continue to sell while lesser known companies or new companies would stand little chance of ever becoming successful. Marketing facilitates the healthy competition that allows small businesses and new businesses to be successful enter and grow in the marketplace.

Although marketing is hugely important for a business to succeed, it can also be very expensive. In its first year, a company might spend as much as half of its sales on marketing programs. After the first year, a marketing budget can reach as much as 30 percent--sometimes more of the annual sales. A marketing program that gives your company the best chance is a healthy mix of different forms of marketing, such as website development, public relations, print and broadcast advertising, design and printing for all print materials, trade shows and other special events

Traditional marketing has been in use for many years and nowadays Internet has brought new ways of doing business for companies and that has affected marketing. The Internet and its associated digital promotional tools are the fastest-growing presence on today's industrial B2B media grid. A B2B study (*Globalspec, 2016, Trends in Industrial marketing*) analyzing the effectiveness of marketing strategies in reaching the technical buyer shows that a record number of technical and industrial customers use the Internet as their primary source for accessing trade research and new product information. As a result, B2B advertisers are searching for new ways to exploit these digital channels and connect directly with customers. As we know, large companies are using digital marketing techniques since many years from the birth of internet.

Small and Medium Enterprises (SMEs) has always been recognized as the driver of critical sector of the economy and the SMEs will continue to remain as the backbone of several countries economic development throughout the world. Small and medium sized enterprises (SME) in India contribute to about 45% of the country's total industrial output. They are also creating about 1.3 million jobs every year. Being an industrial segment with 48 million members, they are struggling to exist and grow in revenue. As with any small business, one of the key challenges is to find cost-effective ways to reach out to more and more potential customers. A key opportunity here is the open and borderless market on the Internet in recent years SMEs have also started adopting digital marketing techniques to promote their business.

Some of the processes followed by companies in digital marketing are Search Engine Optimization, Social Media Promotion, Email newsletter campaigns etc. The usability of each platform depends on the product/service you are selling. For e.g : Social media is Suitable for the industry in which youth engage.

A recent study by *Google India* (2016) shows that in India over 40% of SMEs use internet for advertising and over 68% SMEs use their website to generate direct business leads. Also it's noted that SMEs who uses the digital medium find it as cost effective when compared to Traditional marketing. Hence internet being one of the fast growing medium SMEs would benefit by spending on digital marketing compared to Traditional.

Google India has set a target of creating a digital presence for 20 million Small and Medium Enterprises (SMEs) in India on its various platforms by 2017. To achieve this target, the internet giant had launched a mobile application called 'Google My Business', in January 2017, exclusively for SMEs. Google's SME initiative is part of its ongoing effort to get as many Indian consumers on the internet as possible. A digital presence helps SMEs garner 51 percent higher revenue and 49 percent higher profit than those without it. There are 51 million SMEs in India, of which only 10 million are technology ready. Google India is working on a number of programs to educate more SMEs on how they can get digital and use the Internet as a primary sales channel.

While accessing email is the number one purpose for using the Internet, a majority of SMEs (71 percent) also use the Internet to search for vendors and suppliers and about 40 percent of them use the Internet to create digital listings and advertise digital. In terms of mediums used to advertise, traditional media like newspaper ads and outdoor ads still lead the advertising spends for SMEs, but Internet is emerging as one of the fastest growing medium for advertising with 58 percent of SMEs with websites using the Internet to generate business leads.

Amongst the SMEs who have a digital presence, 56 percent of them feel that the Internet is a cost effective medium as compared to traditional advertising medium like print and television and 79 percent of SMEs believe that Internet advertising can provide greater reach.

Additionally, banner/display advertising and email marketing are the most popular form of Internet advertising and 30 percent SMEs use search engine advertising to market their product and services.

Many of organisations like Google, Alibaba are conducting a digital marketing awareness programs for SME's in India so as these SME's can grow their business.

With regards to the above discussion, this thesis mainly focuses on digital marketing adoption among SMEs in Coimbatore. Since many years, traditional marketing have been used as marketing tools among SMEs. Through this thesis, we will be able to identify if SMEs in Coimbatore have adopted digital marketing and their benefit to business.

1.2 Introduction to Digital/Internet marketing:

Digital marketing can be defined as the use of internet or digital tools to achieve marketing objectives. Digital marketing is also known as Internet marketing, Web marketing and digital marketing. In practice, Internet marketing will include the use of a company web site in conjunction with digital promotional techniques such as search engines, banner advertising, direct e-mail and links or services from other web sites to acquire new customers and provide services to existing customers that help develop the customer relationship.

Following are few specific contributed to the growth of digital marketing .Digital marketing can deliver several benefits over traditional marketing such as

Customise target segment: You can [tailor](#) a campaign to specific audience demographics, such as gender, location, age and interests. This means your campaign will be more effective.

Your audience can choose how they want to receive your content: While one person likes to read a blog post, another person likes to watch a YouTube video. Traditional marketing doesn't give the audience a choice. Most people hate receiving sales flyers in their mailbox or phone calls at inconvenient times on stuff that they have little interest in. Online people get the choice to opt in or out of communications and often it are relevant because they were the ones searching for it in the first place. Don't underestimate the power of market segmentation and tailored marketing.

Interaction with your audience is possible: With the use of social media networks. In fact, interaction is encouraged. Traditional marketing methods don't allow for audience interaction. You can encourage your prospects, clients and followers to take action, visit your website, read about your products and services, rate them buy them and provide feedback which is visible to your market.

Digital marketing is cost-efficient: Though some invest on paid ads online, however, the cost is still cheaper compared to traditional marketing advertising channels such as Yellow Pages, television, radio and magazine.

Data and results are easily recorded: With Google Analytics and the insights tools offered by most social media channels, you can check on your campaigns at any time. Unlike traditional marketing methods, you can see in real time what is or is not working for your business online and you can adapt very quickly to

improve your results.

Level playing field: Any business can compete with any competitor regardless of size with a solid digital marketing strategy. Traditionally a smaller retailer would struggle to match the finesse of the fixtures and fittings of its larger competitors. Online, a crisp well thought out site with a smooth customer journey and fantastic service is king – not size.

Real time results: You don't have to wait weeks for a boost to your business like you would have to waiting for a fax or form to be returned. You can see the numbers of visitors to your site and its subscribers increase, peak trading times, conversion rates and much more at the touch of a button.

Refinement of your strategy: Basically anything that you capture in your customer journey can be reported on and honed for greater success at the fraction of the cost of traditional marketing. After all, how annoying is it to get a couple of forms returned from a mail shot. Marketing online enables you to refine your strategy at any point in time and see any improvements or opportunities for further refinement almost instantaneously.

Brand Development: A well maintained website with quality content targeting the needs and adding value to your target audience can provide significant value and lead generation opportunities. The same can be said for utilising social media channels and personalised email marketing.

Viral: How often do your sales flyers get passed around instantly by your customers and prospects? Online, using social media share buttons on your website, email and social media channels enables your message to be shared incredibly quickly. If you consider the average Facebook user has 190 friends of which an average of 12% see their liked posts – your one message has actually been seen by 15 new prospects. Now imagine a number of them also like and share your message and their friends do the same? That's why high-quality content is so important.

Far greater exposure: Your business can be seen anywhere in the world from one marketing campaign, the cost to do this using traditional methods would be considerable. Plus once you have optimised the key word search content in your website you should see a long-term return on your investment and will be fairly low cost to maintain your ranking.

Greater engagement: With digital marketing you can encourage your prospects, clients and followers to take action, visit your website, read about your products and services, rate them buy them and provide feedback which is visible to your market. So it doesn't take long for good publicity to enhance the prospects of your business.

Improved conversion rates: Converting a customer online is just a few clicks away. Instead of a customer having to pick up the phone or get in their car and drive down to a shop, they can click from your email to your website and make a purchase or learn more about your organization from the comfort of their home.

1.2.1 Definition of Digital/Internet marketing:

Digital marketing can be defined as the process of promoting of brands using digital distribution channels comprising internet, mobile and other interactive channels.

The term 'Internet marketing' tends to refer to an external perspective of how the Internet can

be used in conjunction with traditional media to acquire and deliver services to customers. An alternative term is e-marketing or electronic marketing (*McDonald and Wilson, (1999)*), that can be considered to have a broader scope since this refers to the Internet, interactive digital TV and mobile marketing together with other technology approaches such as database marketing and electronic customer relationship management (CRM) to achieve marketing objectives. It has both an internal and external perspective considering how internal and external marketing processes and communications can be improved through information and communications technology.

The prefix 'e' refers to electronic. The term marketing defined by the *Chartered Institute of Marketing* is: Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitability.

Strauss and Frost define it as: "The use of electronic data and applications for planning and executing the conception, distribution and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational goals" (*Strauss and Frost(2001)*)

Integrating Digital & offline marketing together, Fitzpatrick Michele, Direct marketing, Oct 2003, pg no. 50. "The concept of integrating digital & offline marketing to build success is one who time has come. While many companies still view their digital & offline efforts as separate entities, savvy marketers are slowly realizing that success comes through integration through all channels to provide consumers with what they demand accessibility, choice & convenience"

Smith and Chaffey defines it as: "Achieving marketing objectives through applying digital technologies" (Smith and Chaffey, (2005).

"Applying Digital technologies which form digital channels (Web, e-mail, databases, plus mobile/wireless & digital TV) to contribute to marketing activities aimed at achieving profitable acquisition and retention of customers (within a multi-channel buying process and customer lifecycle) through improving our customer knowledge (of their profiles, behavior, value and loyalty drivers), then delivering integrated targeted communications and digital services that match their individual needs". (Chaffey 2007)

According to Dogra B. (2007) Boston e-marketing concept is "moving elements of marketing strategies and activities to a computerized networked environment such as the Internet and is the strategic process of creating, distributing, promoting and pricing goods and services to a target market over the Internet or through digital tools". It is also "the process of building and marketing customer relationships through digital activities to facilitate the exchange of ideas, products and services that satisfy the goals of both the parties"

Electronic Marketing (E-Marketing) can be viewed as a new philosophy and a modern business practice involved with the marketing of goods, services, information and ideas via the Internet and other electronic means. (Dr. Hatem El-Glory, (2010)

Digital marketing implies packages of measures, which should lead internet users to certain WebPages to buy or order certain products or services. So web presence is the main object of digital marketing. In addition also arrangements outside the internet are included in digital marketing, e.g.: a banner on a plane which shows an uniform resource locator (URL) (Lammenet, 2014).

According to Vladislav Yurovskiy "Digital marketing, which is also called internet marketing, involves use of interactive, virtual spaces for the sake of promoting and selling goods and services"

According to Search engine Journal "Internet Marketing also called digital marketing, is the process of promoting a brand, products or services over the Internet. Its broad scope includes email marketing, electronic customer relationship management and any promotional activities that are done via wireless media"

According to Raluca Dania of University of Braşov "Digital marketing is a blanket term for the targeted, measurable, and interactive marketing of goods or services using digital technologies in order to reach and convert leads into customers and preserve them. The main objective is to promote brands, shape preference and boost sales through several digital marketing techniques

Online marketing, also referred to as online advertising, consists of activities using the Web or email to drive direct sales via electronic commerce, or creating sales leads from websites or email marketing (Dockel & Ligthelm, 2012).

1.2.2 Types of digital marketing:

There are different types of internet marketing tools available. All of them effectively designed to attract users, increase search engine ranking, and brand building. There are some amazing options that you can find to market your business on the internet.

Depending on the nature of your business, you would need to choose particular types of internet marketing tools and techniques to produce best possible results. Irrespective of the method you choose, you can always hire professional services to promote your business and implement efficient marketing strategies.

Company website:

The simplest method of electronic marketing is to set up a company website. The basic information on a company website should be a profile of the company, what it can offer and how to contact the company. Regarding the last of these, at least the basic contact details should be provided, but ideally a contact form should be provided on the site.

Special offers and discounts are things you can arrange to have prominently displayed on your website. Depending on the nature of your company, you may want to have an online shop or similar, where people can buy goods and services via the site, but if you choose to do this, take expert IT advice first on how to ensure the payment systems are secure.

Other useful things to include on company websites are profiles of your staff, testimonials from satisfied customers, links to websites in your business sector and news feed of stories relating to your business sector.

Search engine optimisation:

Search engine optimization has become a crucial part of web commerce. SEO is all about making sure your website is visible to search engines and optimized to show that you are applicable. Without the right use of SEO techniques and strategies, a business or a website may not be able to acquire good ranking on popular search engines, particularly Google.

The main focus of search engine marketing strategies is to place certain highly searched keywords in particular places of several web pages of a website. It aims at providing relevant and useful content to your target market, while improving the overall rank of the website on search engines. First of all, it helps if people can find you. They need to be able to locate your products and services with a few key-strokes. This is where SEO comes in handy.

Search engine marketing focuses on promotion through search engines (Google, Bing). There are two distinct forms of search engine marketing: organic (search engine optimization or SEO) and paid (pay-per-click or PPC).

SEO focuses on optimizing the site to increase the site's ranking in search engine results so that more customers will click on the results and visit the company's site. Using key words and phrases on the site, using graphics and videos; having a news feed or blog and writing quality content that is regularly updated can all increase your prominence on search engines.

PPC focuses on buying ads to make a company's link more visible in search engines (especially when a company doesn't have a very good organic rank)

Google AdWords – Google AdWords are an obvious choice for many businesses. They offer display and text ads in association with highly targeted keywords. AdWords are a clear choice for any campaign. Search engines have become more sophisticated. You can't just keyword-stuff your way to top rankings. Instead, you need to figure out what keywords people are most likely to search in relation to your products and services. Then, enable some form of conversion tracking so you know that new visitors are scoping out your business and not immediately bouncing. Scaling up the spend is the easy part. Making sure you aren't wasting money on irrelevant clicks is where the biggest AdWords challenge lies."

Email/Newsletters:

Email is a very simple way of reaching the customers. These newsletters are a good way to keep visitors returning to the site.

E-Mail marketing is one of the primary ways to strengthen the relationship with customer. In order to start the process, your customers should sign up for newsletters so they can be repeatedly reminded about new products, launches, special offers and discounts, company events, general news about your business sector and news of key staff appointments and other deals being offered by the company on a regular basis. E-mail marketing encourages customer loyalty, and can offer amazing benefits to customers if they choose to become a subscriber.

Effective email marketing requires good design and optimization. It also requires you to pay attention to how people consume email. For example, there are some very good guides on the best times and days to send emails for opens and click-through. But the data is not universally applicable to all businesses. Some businesses will find that sending email at times we wouldn't normally consider – such as at night – is better.

Building your email list allows you to directly reach people who want more communication with you. Your email marketing plan should be designed to encourage people to return to your website and keep you top of mind.

Additionally, the right campaign can also help you target customers who want access to special deals and promotions. You can offer special sales and coupons, and give discounts to those on your list. In order to be successful, though, you need to offer value. Your emails should be relevant and provide something that your customers and potential customers want. Information contained should be of value, and provide them with something they can use, whether it's a special deal or inside insight into an issue or product.

Carefully think about your email marketing as you prepare your online marketing campaign. Make sure it coordinates well with the other areas of your marketing strategy.

Social networks:

Large numbers of people spend long periods logged on to some of the best known social media networks. Therefore, if you could use these media for marketing what you can offer, you could potentially reach a large number of people.

Messages on social media can be used to publicise new product or service offerings, special offers and discounts, company events and news of key staff appointments. These messages can include pictures, videos and the like. But don't just post messages and leave it at that, instead start replying and interacting with contributors, sharing your original content, joining discussions and engaging with the community. Keep your social efforts frequent, but above all, relevant and helpful to your audience.

Employment of social media marketing services is considered to be the most important and result-oriented marketing strategies for online businesses. These services give quick results and have profound effect on the overall functioning of a business. Social media marketing basically means promoting company or a website on different networking sites and popular media channels such as Twitter, LinkedIn, Facebook, Blogger etc. Promoting websites of businesses through

social media marketing pricing ensure increased traffic, thereby resulting in good amount of profits.

The best thing about social media marketing is that it does not require you to make heavy investment, because making online company profiles on social networking sites is absolutely free. Having your business on social networking sites is an easy and simplest way to communicate and share your products with your target audience.

A large percentage of your potential customers are likely to use social media. They might be interested in Facebook, Twitter, Instagram, SnapChat, or any other type of social media. You need to meet them there.

You don't have to be everywhere, though. Consider your customers. Where are they most likely to spend their time? If your audience is more likely to be on Pinterest and Facebook, and rarely goes anywhere else, you don't need to spend a lot of time on Twitter.

One of the best ways to use online marketing is to create interesting content that is shareable. Then, you can use your paid social strategy to get that content in front of more eyeballs.

Video Marketing:

Video can be incredibly social, and smart video marketers are blurring the lines of what's acceptable for branded content. YouTube is the second largest search engine in the world, and the third most visited site. Video can be an incredibly powerful tool to deliver the right message to the right market and attract the right kind of customer from the very beginning.

Online articles:

There might be a number of websites which are dedicated to providing news and comment about your business sector. These sites welcome new contributors, and you can use your expert knowledge of your business sector to write a piece for them. If they publish your article with your name and your company's name then it is better.

Display Ads:

Display advertising is a type of advertising that is located on websites. It can be seen in a wide range of different formats and contains items such as texts, images, flash, video and audio. The main purpose is to deliver general advertisements and brand messages to the plus 40 million people connected to the Internet each month. Display advertising analytics allow you to track the number of clicks, impressions and conversions the ad has generated in real-time, giving you an up-to-date picture of what is resonating with consumers. Display ads also travel far, given the millions of websites reached by 'Google's Display Network'. The search giant can match your ads up to websites and apps based on keywords or your own targeting preferences. These types of ads appear on distinct sections of the site that are specifically reserved for paid advertising and are aimed at generating a quick conversion.

It is important to choose the right format because it will help to make the most of the medium. It is also possible to add:

- Video
- Expendables: flash files that expand when the user interacts on mouse over
- Overlays: ads that appear and that it is possible to remove clicking a close button;
- Sponsorship: including a logo or adding a brand to the design of a web site.

Pop-up Ads:

These are the small windows that appear when you first get onto a website. Pop-ups appear on your screen in full, pop-downs appear on the bar at the bottom of your screen and you have to open them to get rid of them.

Interstitial Adverts:

These adverts sometimes referred to as Bridge Adverts, pop up as you move between pages on a site. You have no choice as to whether you view them or not, although you can close them down.

Floating Ads:

These ads appear when you first go to a webpage, and they "float" over the page for five to 30 seconds. While they are on the screen, they obscure your view of the page you are trying to read, and they often block mouse input as well. These ads appear each time that page is refreshed. Floating ads are popular for several reasons:

- They grab the viewer's attention and cannot be ignored
- They are animated
- They have audio/video content like TV ads

- They can take up the entire screen, therefore from a branding standpoint, they are much more powerful than a banner ad or a sidebar ad
- They have a high click-through rate of about 3 percent. However, many users get highly irritated because of these ads.

Unicast Ads:

A unicast ad is basically a TV commercial that runs in the browser window. It has enriched audio/video content. The ads can last anywhere from 10 to 30 seconds. These ads have similar branding power as a TV commercial. However, a unicast ad offers something that TV ads cannot -- the ability to click on the ad for more information. These ads are getting very effective, as the average click-through rate is 5%.

Takeover Ads:

Viewers visiting the website will see a large ad when they first come, and then the continuity is maintained by reiterating the same message throughout the site in the form of banners, side bars or buttons. The approach works very well for branding because the brand is visible to viewers throughout the visit to the site. Click-through rates are also high.

Content Marketing:

This type of online marketing is all about how you use content to position yourself and your business. Adding content to your site can also be part of your SEO marketing strategy. Many of these strategies go hand-in-hand.

Different types of content accomplish different things as you move forward. Hitting on the types of content most likely to help you reach your goals and attract customers is important.

If you sell products, it makes sense to create video reviews and tutorials of what you offer. If you want to be a thought leader, you can also consider creating white papers to offer to others. Your blog content is also considered a form of online content marketing. It should be designed to be useful and informative.

No matter what type of content you create, it's important to make sure that it serves a purpose and adds value for your customers and potential customer

Trade portals:

Trade websites are great online places for promoting your business as they play a key role in local web markets. The benefits of listing your products over these webs are that you don't have to worry about marketing your products and most of the online support to your customers is offered by the sites themselves.

While other such advertising and selling platforms, like business classifieds and local business directories, are not at all able to offer that much help and support services to your customers. This is made easy by trade portals like Alibaba, IndiaMart and TradeIndia.com. Indeed, these trade portals are very important to manufacturers, Business to Business platforms, suppliers, exporters and generally all the stakeholders in the e-commerce platform. For instance, they bridge the gap between manufacturers and final consumers.

They also provide an online market place that matches sellers/suppliers' needs with the consumer needs.

Additionally, they provide online sales services, electronic payment services, shopping carts and search engines as well as data-centric cloud computing services for manufacturers, suppliers and other e-commerce participants.

Indeed, these portals strive to be the e-commerce destinations where consumers can find and discover anything they want to buy online. By so doing, they serve as lead generation agents for the websites of manufacturers, suppliers, B2B and exporters since buying an item from the portals entails being re-directed to the website of the manufacturer, exporter or supplier of that particular item.

Sponsorships:

Website sponsorship can come in two formats; regular sponsorship where the advertiser has a space to place the logo and company message, and content sponsorship where the advertiser has limited control and submits their own content to the site as well as having an advert on the page. These sponsorships will be for fixed periods, and need to be on targeted websites to reach the right audience.

Blog:

One of the best marketing strategies for a small business is blogging. By providing your prospects and clients with informative, non-salesy content that you can house on your blog, promote socially and offer to other networks to supplement their strategy, you and your team can quickly establish yourselves as experts in a desired field. It can also positively impact your SEO. By blogging at least twice a week, you significantly increase your website's ability to be found on search engines. The more you blog, the more traffic your site will get from Google, Yahoo and Bing as you are adding fresh content to your site. And if each of your blog posts includes a call to action, you might even generate some leads from your blog.

It can host videos, podcasts, text articles, news topics, sell affiliate advertising, provide instruction or insight. Blogging makes this list because managing that channel is really a skill on its own.

Scheduling content, tagging and categorizing content appropriately, managing internal link architecture, optimizing navigation items – these are just a handful of items that a real “blogger” manages.

Network Marketing:

While Network Marketing and Social Media share similar roots, the network marketer takes the work the social media marketer does, and takes it a step further.

If the Social Media marketer's job is to identify the smaller networks and appeal to the collective mindset of the group while identifying the influencers, the network marketer's job is to build relationships with those influential people.

Taking those relationship skills a step further, the most notable trait of these professional networking masters is their ability to connect people within their own network with each other. The best place to start finding great professional networking opportunities is LinkedIn.

Interactive advertising:

With web technologies evolving every day, an emerging group of marketers take to creating advertising that requires users to interact with the website. On a small scale, this could require the user to upload a photo, video or audio which is then augmented by the website to create a “branded” experience.

Interactive marketing is truly unique and must be experienced in order to fully grasp just how powerful it can be. Interactive advertising isn't just limited to pictures and video though. Every day there are branded, interactive advertisements that give the user something to “play” with.

One such example is how Augmented Reality is being integrated into advertising – merging the real world with computer graphics.

Online Directories:

The online equivalent of Yellow Pages, or Industry Directories, these give you basic or enhanced listings on the website. Your details will come up if your sector, location or company name is searched for. Enhanced listings will allow users to click-through to your site. Online directory listings are often offered in conjunction with an entry in the printed version of the directory

1.3 Introduction to Small and Medium Enterprises :(SMEs)

Small and Medium Enterprises (SMEs) play a pivotal role in the overall industrial and economic development of a nation and are considered as the prime drivers for employment generation and GDP growth, besides contributing to the balanced regional development. Further, SMEs contribute greatly to economic diversification, social stability, and play an important role in development of the private sector. The entrepreneurial spirit and innovative nature of these enterprises have been crucial in driving competitiveness in the economy. The Organization for Economic Co-operation and Development (OECD) reports that over 95% of the enterprises in the OECD region are SMEs accounting for almost two-third of the private sector employment. As per the Fourth All India Census of MSME, 2006 MSMEs are estimated to contribute around 45% to India's manufacturing output and 40% to India's exports, in terms of value.

As per the Annual Report FY16 of Ministry of MSMEs, more than 117 million people were employed in around 51 million working enterprises in FY15.

Rural units with 200.2 lakh working enterprises account for 55.3% of the total working enterprises in the MSME sector. On the other hand, there are 161.6 lakh working enterprises in the urban area accounting for 44.7% of the total working enterprises in the MSME sector. Indian MSMEs are spread across the length and breadth of the country, with the southern region accounting for almost one third of the total MSMEs in India. Further, nearly 32% of the enterprises are engaged in manufacturing activities, while the remaining 68% are engaged in services. In terms of ownership patterns amongst MSMEs, 90.1% are proprietary enterprises, 4% are partnership enterprises, 2.8% are privately run enterprises, 0.5% are publically listed, 0.3% are owned by cooperatives/trusts, while the remaining 2.3% do not have a specific ownership pattern. There are more than 6,000 products manufactured by the Indian MSMEs, in addition to providing a wide range of services

1.3.1 Definition of SME:

SME is defined in difference perspectives such as the number of employees, number of capital invested, departments, number of projects etc... There are various types of business classified on several aspects. The definition of SME is difference in respect of the geographical location. Outcomes of the SME are quite significant but definition is not specified as a whole. It consists of 2 parts one is the small size business and the other is the medium scale business. SME is an independent organisation owned by individual or a small group of proprietor that employs only 1-249 people to perform the activities. (The department of Trade and industry DIT) In case of small enterprise it employs less than 50 employees but in case of medium scale enterprise it should be from 50 but be less than 250

employees

According to Storey (1994), there is no single, uniformly acceptable one for small firms. Firms differ in their level of capitalization, sales and employment. Hence, definitions that employ measures of size (number of employees, turnover, profitability, net worth etc..) when applied to one sector could lead to all firms being as described as small, while the same definition when applied to a different sector would lead to different results.

Different countries use different parameters to define SMEs. Some use the number of persons employed, amount of capital invested, amount of turnover or nature of the business. In India, SMEs defined based on investment in plant & machinery.

According to EISBC (European Indian small business council, 2012) as:

- Small enterprises where the investment in plant and machinery above Rs. 25 Lakhs & upto Rs. 5 Crores.
- Medium enterprises: where the investment in plant and machinery above Rs. 5 Crores & upto Rs. 10 Crores

In accordance with the provision of Micro, Small & Medium Enterprise development (MSMED) Act, 2006, the Micro, Small and medium enterprises (MSME) are classified into two classes

Manufacturing Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
Service Sector	
Enterprises	Investment in equipments
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

1.3.2 Marketing and SME'S:

Marketing is a broad term that involves many activities, including advertising, promotions and public relations. The success of a small business depends on the business owner's ability to market their products and services effectively. You may have a great product and stellar customer service, but if people don't know your business exists, you are not going to have any sales. Your marketing efforts are important to keep your small business afloat. It gets the message out to potential clients and entices them to give your business a try. Here is how marketing can help your business thrive

Marketing Helps Enhance Company Prestige:

Brand name recognition is enhanced after successful marketing efforts. Audiences can easily recall your products or services and develop expectations of high quality and excellent customer service from your company. As long as you manage to uphold these expectations, you will have a successful business. Communicate with your clients and customers regularly and listen to them to ensure your branding efforts are effective.

It Lets the World Know About Your Products or Services:

Nothing is more important for the success of your business than getting the word out. Specialized marketing efforts can help create awareness among potential clients. You may already be recognized in your community. In that case, you can use marketing as a way of communicating with your community to give them an in-depth understanding of how your business works, while also promoting brand loyalty among your existing clientele.

It Allows You to Compete with Larger Competitors:

Good marketing efforts allow small businesses the opportunity to compete with well-known, larger corporations and compete for their market share. Smaller businesses often have an advantage over larger companies because of the greater amount of personal attention they can provide to each client. Often, good customer service and a real sense of value are more important to clients than the lower rates they may pay for the services or products of larger companies.

It Helps Increase Sales:

If you have done your marketing right, chances are that any potential clients will be able to instantly recognize your branding efforts, separating your company from your competitors and increasing the likelihood for them to become a future client or make a purchase. At this point, your clients can also become a part of

your marketing campaign by writing positive comments about your company and its services or products on social media as well as recommending your company to friends, relatives and other business associates. You will see the sales increasing exponentially as word spreads.

Remember that good marketing leads to sales, which is the most important factor for your business to thrive.

Finding new customers is the major challenge for Small business owners. Small businesses typically find themselves strapped for time but in order to create a continual stream of new business, they must work on marketing their business every day. Common marketing techniques for small business include networking, word of mouth, customer referrals, yellow pages directories, television, radio, outdoor (roadside billboards), print, email marketing, and internet. Electronic media like TV can be quite expensive and is normally intended to create awareness of a product or service.

Small business owners can use internet marketing as it is more affordable. Google AdWords and Yahoo! Search Marketing are two popular options of getting small business products or services in front of motivated Web searchers. Successful online small business marketers are also adept at utilizing the most relevant keywords in their site content. Advertising on niche sites can also be effective, but with the long tail of the internet, it can be time intensive to advertise on enough sites to garner an effective reach. Creating a business Web site has become increasingly affordable. A Web site can provide significant marketing exposure for small businesses when marketed through the Internet and other channels. Many small business owners use Facebook and Twitter as a way to reach out to their loyal customers to give them news about specials of the day or special coupons and generate repeat business. The relational nature of social media, along with its immediacy and 24-hour presence lend intimacy to the relationship small businesses can have with their customers, while making it more efficient for them to communicate with greater numbers. Facebook ads are also a very cost-effective way for small businesses to reach a targeted audience with a very specific message. In addition to the social networking sites, blogs have become a highly effective way for small businesses to position themselves as experts on issues that are important to their customers. This can be done with a proprietary blog and/or by using a back link strategy wherein the marketer comments on other blogs and leaves a link to the small business own Web site. A solid public relations strategy that utilizes speaking engagements, press releases, feature stories, events and sponsorships can also be a very cost-effective way to build a loyal following for a small business.

1.3.3 SME Sector in India:

SME is the abbreviation for Small and Medium Enterprises. These enterprises can be rightly called as the backbone of the GDP of India. The SME sector in India is growing at an exceptionally fast rate due to which it is proving to be beneficial to the Indian Economy. However, there are some important points that need to be considered for further development of the SME sector. Let us first analyze the current figures related to the SME sector in India. The contribution of the SME sector to the entire output of the country is 40 %. Currently, there are over 11 million SME units in India that produces more than 8000 products. 90 % of the Industrial Units in India belong to the SME sector. These SME units contribute 35 % to the Indian Industrial Export. Let us analyze the factors that have contributed to the growth of the SME sector in India. SME units in India are being funded by foreign and local fund providers. The advancement in technology has also contributed highly to the SME sector. There are numerous business directories and trade portals available online that contains a rich database of manufacturers, sellers and buyers. To start and maintain these units, minimal investment is required. These SME units are now being funded by many government and private banks. The SME sector is one of the greatest contributors of domestic production as well as the export earnings. Many major mergers have taken place recently. Though the sector is flourishing and expected to grow further in the near future, there are however certain challenges that the SME sector will have to face. Though the SME industries are spread all over the urban areas, proper infrastructure needs to be developed in the rural areas to establish these industries there. The SME units are functioning efficiently and effectively, but even now there is lack of information regarding the inputs of these industries, like the raw materials, skills, machinery and equipment. There is need of high level research and development required to develop these sectors in both the urban and rural areas. The SME sector is almost at the initial stage of its growth. With further advancements in technology, this sector is likely to grow further and contribute greatly to the economy of India.

1.3.3 SME'S in Coimbatore:

Coimbatore is a major commercial and business hub in the state of Tamil Nadu. The business tradition of Coimbatore has evolved over a period of last two hundred years. If we have to catch the sequence and chronology of this story of growth, it has most to do with the fact that the rich black soil in Coimbatore was not very friendly to food production and, it is in fact, the successful growth of cotton as served as a foundation for the establishment of its famous textile industry. India's 15 % textile mills are situated in and around the Coimbatore. Gradually, it is known as the textile capital of South India hence it is called as "The Manchester of South India".

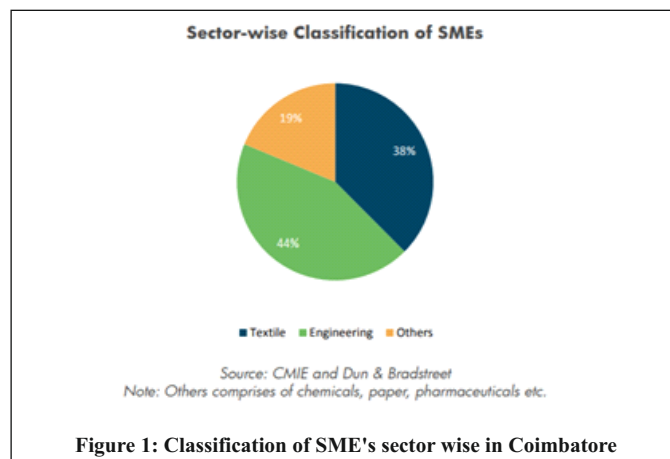
Economy of Coimbatore is largely influenced by textiles, textile machinery, auto components, steel & aluminium foundries, pumps & motors and information technology (IT) industries. The first textile mill came as far back as in 1888 but now, there are numerous mills that specialize in spinning, weaving, power looms and knitwear. A large produce of the knitwear, woven apparel and home furnishings are exported to different countries. The factors that have led to growth of the textiles industry in Coimbatore are mainly the quality of its cotton and dyed fabric. The growth of the textiles industry also led to the inception of textiles machinery manufacturing. Today, some of the famous global brands in textile machinery and component manufacturing companies are operational in Coimbatore. The machineries for these mills were imported or some of them were bought from manufacturers in Bombay region, which was the then textile hub. Once the spirit of entrepreneurship entered the living traditions of the people, then it was only a matter of expansion and diversification into related and even different areas of economic activities. Coimbatore envisioned to build a strong Foundry base, so, the spares for replacement in these Textile machines were able to be produced in Coimbatore. Later, full-fledged machineries were manufactured. There was an evolution of textile machinery manufacturing sector due to the pre-existing engineering capability in the Foundry sector. The machinery manufacturing activity was a forward-integration of the foundry capability. This led to manufacture of a host of innovative machineries like Wet grinders, Lathes, machines for drilling, welding etc. This also led to the growth of Gear technology and manufacture of gear-based machineries. The Foundry and Machining capabilities were leveraged for supplying components to automobile manufacturers as a diversification and Coimbatore became a strong base for supply of auto-components for the whole of India. Due to sustained and the locally contagion competitive creation of wealth over the period of last 40 years, a number of ancillary and resultant businesses also evolved.

Coimbatore is also called the "pump city of India". The motor & pump industry of Coimbatore supplies more than 45% of India's requirements, and automobile components accounting for nearly 20% of the country's total business. The larger sectors like Spinning sector accounting for nearly 30% of the country's total spindleage. While its wet-grinder industry has a near monopoly. The district has more than 700 wet grinder manufacturers and wet grinders manufactured in Coimbatore have been given a geographical identification. In recent years, apart from the manufacturing and trading base, the city has also emerged as the second largest software development centre in Tamil Nadu. Coimbatore has also become a base for the services with highly potential IT sector, now becoming the hub of Information Technology, Health services i.e. hospitals and Education services i.e. professional, arts and science colleges etc.

It is home to more than 50,000 Micro, Small and Medium enterprises in the various fields of general engineering, textiles, textile spares, auto spares, machine tools, motor & pumps, foundry, home appliances, software, farm equipments etc., in manufacturing. The high-quality educational institutions helped to set up and expedited the process in starting enterprises. The easy availability of skilled manpower which facilitates industry and entrepreneurship in the region. Coimbatore is ranked as one of most competitive (by business environment) Indian cities.

Although the city has diverse industries, a large number of smaller units still remain un-accounted, as they are not registered with any of the government or commercial bodies. "The SMEs employ some 800,000 people and have an aggregate monthly turnover of about Rs 2,000 crore, amounting to Rs 24,000 crore annually," according to *Coimbatore District Small Industries Association (CODISSIA)*, 2012. The city has had a legacy of rich industrial contribution.

Coimbatore has two industrial estates both owned by SIDCO namely Kurichi Industrial estate and Malumichampatti industrial estate with 271 industrial sheds and 99 plots being developed. This research Paper was carried out in SIDCO, Kurichi.



1.4 Background of the study:

The Internet is defined as the worldwide interconnection of individual networks operated by government, industry, academia, and private parties. Originally the Internet served to interconnect laboratories engaged in government research, and since 1995 it has been expanded to serve millions of users and a multitude of purposes in all parts of the world.

In a matter of very few years, the Internet consolidated itself as a very powerful platform that has changed forever the way we do business, and the way we communicate. The Internet, as no other communication medium, has given an International or if you prefer, a "Globalized" dimension to the world.

Internet is changing all the time. Two things, in our opinion, have marked its evolution recently: the social web and mobile technology. These two innovations have changed the way people use the Internet. In the social web people have found a new way to communicate. Since its creation in 2004, Facebook has grown into a worldwide network of over 1,679 million subscribers. Mobile technology, on the other hand, has made possible a much greater reach of the Internet, increasing the number of Internet users everywhere.

The Internet continues to be the most democratic of all the mass media. With a very low investment, anyone can have a web page in Internet. This way, almost any business can reach a very large market, directly, fast and economically, no matter the size or location of the business. With a very low investment, almost anybody that can read and write can have access and a presence in the World Wide Web. Blogging has consolidated the social media and the people everywhere are expressing and publishing their ideas and opinions like never before.

During the past 20 years Internet has become a great technological space where companies are aware of successful opportunities to run their businesses. Companies started to move from business place to business space, created websites and placed their products and services digital for sale. This trend explains the huge growth of websites on the Internet. Table 1 provides the data for the period between 1995 and 2016, which bears evidence to the fact that in November 2016, there are 1,805,060,730 websites operating in the world. (September 2017 Web Server Survey) There is no doubt about the fact that e-marketing attracts businesses both from the point of enhancing revenues and controlling costs.

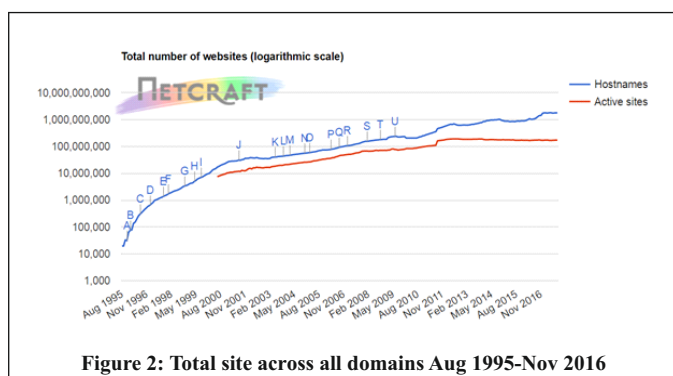


Figure 2: Total site across all domains Aug 1995-Nov 2016

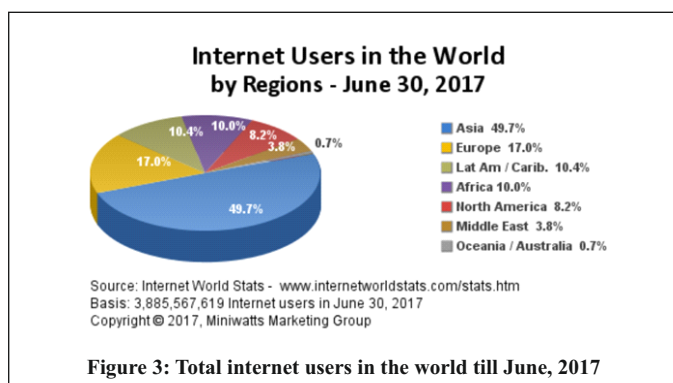


Figure 3: Total internet users in the world till June, 2017

Internet Statistics 2017

1. There are now **3.74 billion Internet users** in the world as at March 2017. This is compared to 3.26 billion Internet users in 2016.
2. **Asia is the continent with the most Internet users.** In fact, interestingly, the number and percentage of Internet users in Asia has gone up compared to 2016. Asia now accounts for 50.1 percent, or more than half, of all Internet users in the world. The runner up is Europe, with 17 percent of all Internet users.
3. **China has the most Internet users of all country.** At over 731 million Internet users at the time of writing this, China currently accounts for more than 25 percent of Internet users worldwide — a notable increase compared

to 21.97 percent of worldwide Internet users from last year.

4. **The number of people using the Internet in China is more than double the population of the U.S.**
5. As at January 2017, **the United Arab Emirates is the country with the highest Internet penetration in the world** — with an impressive 99 percent of its citizens, or about 9.2 million people, using the Internet.
6. The internet influenced sales to the tune of \$2.1 trillion in 2016.
7. For the very first time in history, with a projected \$205 billion Internet ad spend compared to a projected TV ad spend of \$192 billion, global internet advertising spend is expected to exceed TV advertising spend in 2017.
8. Over 2 million blog posts are published on the Internet every day.
9. Over 5.5 billion Google searches are made every day.
10. Google is the world's most visited website, followed by Youtube and Facebook. Chinese search engine Baidu is the world's fourth most visited website.

1.5 Problem discussion :

Marketing is an important strategy for business and it contains various effective tools. Different tools of traditional marketing have been used by marketers for a long time. The marketers have been using the traditional channels such as face to face communication, Newspaper, magazines, Tradeshows etc. to communicate to the customers. But, in recent years there is a new communication channel, Internet, which has brought lots of opportunities for marketers. Internet has affected marketing process by providing opportunities that were not available by using traditional marketing tools. All of the communication channels have an important function of their own but Internet is a channel that has developed and is continuously developing which has got a lot of attention from everyone.

In today's digital era, having a digital presence for a business is a critical requirement. If you are not digital, you do not exist. However, a lot of enterprises and business owners today still feel that they do not need to know about digital marketing.

If you really want to exist and let succeed and grow, you need people to know about you.

You also need people to become aware of the services and products that you have to offer - and how these offerings can help them improve their life. While traditional methods of advertising on billboards, newspapers, and TV are still available, if you wish your name to spread like wildfire, the only way out is going digital.

Marshall Goldsmith says, "What Got You Here Won't Get You There." In other words, if you do not change the steps for doing something, you will keep getting the same results. Although the business practices you followed helped you reach the stage you are at, if you really want to grow your organisation, you need to try a different approach. It is critical for you to understand that today people use services such as Just Dial - or simply Google - on their mobile phones a lot more than they pick up.

There are several questions addressed in this project.

Is SME's in Coimbatore using digital marketing? What are the benefits by using digital marketing if adopted? What are the barriers for adopting digital marketing? What is the necessity/importance of using digital marketing? The results of this research might help the SME's to understand more about the digital marketing for promoting their business

1.6 Objective of Study:

- To compare/identify the effectiveness of digital marketing over traditional marketing.
- To identify the barriers in implementing digital marketing.
- To identify the benefits of digital marketing.
- To understand the importance of using Internet marketing.

1.7 Delimitations of the study:

Delimitations help define the study's boundaries and the propositions that researchers want to examine (Yin, 2014). Due to the time limit and inaccessibility to all needed sources, the research for this project had to be limited. Therefore this study is based only on Coimbatore. The respondents who are owner of the companies and marketing managers of the chosen companies are from Coimbatore and their answers are related to the Coimbatore market. This study is also focused mainly on the b2b rather than b2c .

1.8 Contribution to the Fields:

This thesis will contribute first and foremost to the field of marketing and strategy. Most of the research articles mention how digital marketing is used in bigger companies but not much research has been conducted for SME's in manufacturing sector, therefore this research has been focused to know the perception of SME's in manufacturing sector to adopt digital marketing.

1.9 Disposition:

Chapter 2 – Literature review: Presentations of theories or literature in the field pertaining to digital marketing adoption by SME.

Chapter 3 – Research method: The methodological approach is and choice of respondents is discussed. Information collection and validity is also discussed.

Chapter 4 – Analysis and Interpretation: An empirical analyzes is here presented where the respondents answers is compiled. It analyzes the perception of SME's using digital marketing like the barriers, benefits, awareness etc.

Chapter 5 – Findings: Discussion about the research findings.

Chapter 6 – Conclusion: Contain what we have learned from the study. A discussion about future research within our chosen field will also be mentioned in this section.

Chapter 7 - Suggestions: Contain the suggestions for using digital marketing effectively by SME's

Chapter 7 – Bibliography: The last section shows all gather sources, which this thesis contains and are built upon.

CHAPTER 2**Literature review:**

The literature review will undertake to draw attention to the relevant literature which has been used to inform and assist in building a foundation on which the study has been developed. In this chapter I review the earlier studies pertaining to my research area. The aim of this chapter is provide the relevant literature in the field of digital marketing adoption by SME.

2.1 SME and Digital Marketing

Traditional marketing media like newspapers, news websites, radios, and television are all about delivering a message for SMEs. Digital marketing not only passes the message but also receives and exchanges perceptions and ideas in short span of time. In current scenario the situations has changed for SMEs in India and the challenges posed before the enterprises by business environment has become more competitive than before. In the age globalization, small firms engaged in exporting can also benefit from Internet marketing. SME'S can perform their activities throughout world if the internet marketing adopted in their activities. Internet marketing increases the productivity of SME'S. With digital users growing in India most of SME's have realized the importance of internet technology in their daily marketing life. In recent trends in India says that internet users grows at increasing rate. So this is vital opportunity to SME's to take steps towards internet marketing and promote their sales

The traditional lifestyles of people have changed- Is your target audience still reading printed newspapers or magazines? Are they still watching that one popular show where the entire family gathers on a Sunday morning? So where are they then? On the world wide web- probably liking or sharing a post on face book, enquiring regarding finding accommodation on twitter, commenting on a movie review posted on a blog, repining an amazing dress design they saw on their pin board or watching an advertisement released on you tube.

1. Indian internet users have already crossed Cable and Satellite TV households. Not only are users increasing, the average time spent on the net.
2. The costs involved are less as compared to traditional media.
3. You are not dependent on an external medium – you are your own publisher. You thus have greater control over the content and timing.
4. It is fast. Gone are the days when you prepared months in advance to release an advertisement. Ads are now created within hours, sometimes minutes as well.
5. India is a young nation. More than half of its 1.2 billion people is aged below 25, and two-thirds below 35. 85% of young India is hooked on to some or more social networking sites.
6. The opportunity to manage your reputation is immense. You can respond to complaints in a timely manner, encourage people to talk about their good experiences with your company and keep an eye on what is being said about you in general.

A study carried out by *Gilmore et.al (2007)* provides information about the challenges, obstacles and limited real practical applications of e-marketing. *Gilmore*

et al. (2007) has analysed the status of SMEs in the usage of the Internet and e-marketing in 2000 and 2004. The main goal of the analysis was to notice the changes during four years period and see trends in the usage of e-marketing activities.

The study accomplished by *Gilmore et al. (2007)* draws a pessimistic view of SMEs using the Internet in the design and implementation of e-marketing activities. SMEs are in their infancy and they have a limited knowledge on how to apply e-marketing activities. The outcome of the study made in 2000 showed that SMEs were not interested in using the Internet in their business activities and did not consider the Internet as an efficient tool to increase profits. At that time SMEs were blind to the benefits through the communication with customers through a website. It was hard for the companies to accept the fact that e-marketing activities will dominate over traditional marketing. (*Gilmore et al. 2007, 234-247.*)

The reason for such distrust in Internet marketing was the lack of profits. SME relied more on the profits made using traditional marketing than an uncertain outcome of marketing through the Internet. In addition, there was a lack of professionals who could manage website development and digital marketing activities. In most cases SMEs are dependent on external consultants. There is always a threat of unreliability. SMEs could hire professionals to design and maintain their websites but there is a risk and uncertainty whether the work will be done properly. (*Gilmore et al. 2007, 234-247.*)

Gilmore et al. (2007) showed that SMEs in 2004 no longer considered the fact that costs were an insurmountable factor but were learning more about the usage of the Internet and adoption of e-marketing activities. (*Gilmore et al. 2007, 234-247.*) The study explain that e-marketing is not only about what advantages companies get but it is a complex process on making the company being visible and recognizable for customers digital. The comparison of the results in 2000 and 2004 revealed the tendency of some companies to consider e-marketing as a necessary tool to develop business. SMEs realized the importance and advantages of a website and digital presence.

Gilmore et al. (2007, 234-247) admitted that SMEs are still in an infancy stage in regard to the development and utilization of the Internet and e-marketing, and it would be a while before they achieve a certain level of maturity.

Nowadays SMEs started their active digital business operations but they still should be aware of the challenges hidden behind e-marketing benefits: the tight competitive environment of Internet, the essential need to apply an ever-growing number of tools, which are continuously changing and new innovative ones appearing. The most common challenges are security of the website and the customers' information. According to *Chaffey, Ellis-Chadwick, Johnston and Mayer (2009)* who published an article in a book *Internet marketing: strategy, implementation and practice. 4. ed. Pearson Education* suggest that when building a website company should use reliable protection systems against the viruses and attacks of hackers. Nowadays it is a common problem when the well developed websites are attacked and information is stolen, for instance a customers' credit card information while purchasing goods digital or the whole website can be blocked and all activities stopped. Hackers demand big amount of money from website owners in order to give the control of the website back. Such attacks ruin businesses and especially harm customers, for example customers' information during the digital payment process. (*Chaffey, Ellis-Chadwick, Johnston & Mayer (2009)*)

Japhet Eka Lawrence's (2009) research article on. In this paper he reviewed the opportunities and benefits of internet usage. The paper concludes that internet is widely seen as critical for the competitiveness of SMEs in the emerging market by increasing its market share and attract prospective customers.

According to *Harrigan et al. (2012)*, digital marketing involves the use of Internet technologies to reach out to customers. Digital marketing is a combination of using the Internet and marketing to sell products and advertise the company. The same basic principles as traditional marketing apply, except that everything happens at a much greater speed, and the company has to contend with others all over the world and not necessarily only with those in its direct business area (*Lloyd and Kroeze, 2008*). Internet marketing can be used to enhance personalization. Personalization raises the value of a user's digital experience, improving customer loyalty and leading to more customer contacts (*Eid and El-Kassrawy, 2012*). Having realized the astonishing growth and importance of the Internet, marketers are challenged with its effective integration into their marketing communication mix (*Grandon, 2014*).

Kaplan and Haenlein claimed that digitization has transformed consumer behavior significantly (See Kaplan & Haenlein, 2010) and the importance of utilizing digital channels for brands cannot be ignored, as the sayings goes "If a company cannot be found in Google, it does not exist", this indicates that digital marketing is no longer an option but the imperative for the company if it wants to stay competitive and grow, and SMEs are no exception, however, it seems that SMEs didn't maximize the potential that digital channels could offer (See Inside small business, 2017). SMEs play a significant role within the world economy, particular in the developing countries where most formal jobs are generated by SMEs (See World Bank, 2015), thus, it could create practical benefits to SMEs by analyzing

the SMEs' digital marketing and providing recommendations for its future development in the developing countries.

Digital marketing can provide opportunities for SMEs to reach new and existing customer more efficiently, as well as to increase the companies' performance and competitiveness (See Shideler & Badasyan, 2012).

Economic times published article on "Indian companies using digital marketing for competitive advantage" in Oct 2014. According to this article a growing number of marketers in India are leveraging digital marketing to increase their competitive advantage, a research by Adobe and CMO Council has revealed. According to the study, India leads in the confidence in digital marketing as a driver of competitive advantage. Ninety-six per cent of the Indian marketers have high confidence in the ability of digital marketing to drive competitive advantage. It is among the highest in Asia-Pacific APAC with only Australia leading with 97 per cent, the research said. However, while Indian marketers believe that the key driver to adopting digital is a growing internet population (70 per cent in India against 59 per cent in APAC), their belief that customer preference and digital dependence drive the adoption of digital, and that digital can engage the audience, is lower than the APAC averages, it added.

The 2014 Adobe APAC Digital Marketing Performance Dashboard was compiled through quantitative surveys with over 800 marketers across the region.

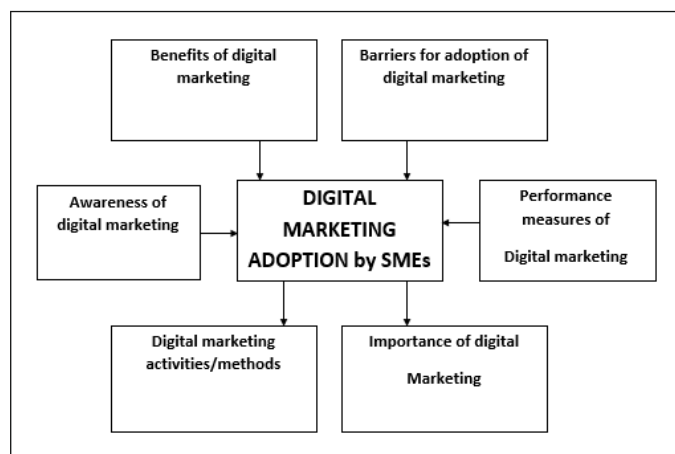
Marketers from Australia, Korea, China, India, Hong Kong, Singapore and other countries were covered. "However, while India is an emerging leader in Digital Marketing, it has dipped in its own performance this year as compared to the previous year. It is important to note that India scored much higher than the APAC average last year," it said.

Adobe Managing Director South Asia Umang Bedi said that customer preference and digital dependence would increase along with the increase in penetration of internet in the Indian market. "Therefore, what would matter is how the Indian marketers are able to increase engagement and activate audience through digital marketing. This presents challenges in programme planning, execution and most importantly measurement," he added. The study also revealed that compared to their APAC counterparts, Indian marketers are receiving lesser support from channel and sales teams for increasing digital spends. However they are doing better as compared to previous years suggesting that departments that have a customer interface are realising the importance of digital marketing in augmenting their effort.

Internet marketing offers numerous benefits when compared to traditional media channels. Internet marketing strategies may improve customer relationships, operational efficiency, marketing effectiveness, and a firm's performance when implemented properly (Dlodlo & Mafini, 2014; Eid & El-Kassawwy, 2012; Hamidi & Safabakhsh, 2011; Huang & Tsai, 2011). Some larger organizations are already benefiting from Internet marketing while small businesses are lagging behind in adoption (Boyles, 2011; Harrigan, Ramsey, & Ibbotson, 2012)

2.2 Conceptual framework:

According to Miles & Huberman (1996) a paper on *Qualitative Data Analysis*, SAGE publications London. "The conceptual framework explains, either graphically or in narrative form, the main things to be studied". Based on the literature review, the conceptual framework has been developed to explain the overall digital marketing adoption by SMEs. The conceptual framework is constructed to direct and organize data collection.



➤ Barriers for adoption of digital marketing:

The use of Internet marketing by small firms is in its infancy. It is important to explore the reasons behind the lagging adoption to understand why small businesses have low Internet marketing usage rates. The review of the relevant literature showed that the barriers inhibiting Internet marketing are lack of time, expertise, and financial resources (Hanafizadeh et al., 2012; Omar et al., 2011;

Resnick et al., 2012)

Barriers can be taken on any form but will not be restricted to the following areas:

- Lack of awareness of the technology
- Low computer literacy .
- Lack of qualified staff to develop and support digital marketing activities
- Limited financial resources.
- Complexity.
- High cost for development of internet connectivity and website.
- Inadequate communication infrastructure such as poor internet connectivity.
- Disclosing company's information

Japhet and Lawrence(2010) research article studied the barriers to e-commerce in developing countries. It was found that the absence of adequate basic infrastructural, socio-economic and the lack of government national ICT strategies have created a significant barrier in the adoption and growth of e-commerce in developing countries.

"Digital marketing is not just traditional marketing on steroids. It is not just a faster or newer channel. It is a new approach to marketing" (Wind and Mahajan, 2001, Digital marketing is a term used to refer to marketing that utilizes electronic devices like computers, smartphones and tablets to engage the consumers. 28% of marketing professional have reduced their advertising budget to reallocate more money on digital marketing (Gartner, 2013).

Love et al., (2001) Conducted an empirical analysis of the barriers to implementing e-Commerce in SMES in construction, Australia. The paper identified and categorized substantial barriers into technical, financial, organisational and behavioural. In addition, risk, uncertainty, change and knowledge were identified as the underlying factors in EC adoption .

Hadjimanolis (1999), research article on *Barriers to Innovation for SMEs in a Small Less Developed Country (Cyprus)*, conducted a study on perception of barriers to E-commerce adoption in SMEs. The barriers was categorised as internal or external. External barriers include difficulties in obtaining finance, technological information and difficulties .The internal barrier being a security concern.

Drew (2003) published an article on *Strategic uses of E-Commerce by SMEs in the east of England. European Management Journal, 21(1):pp 79-88)* makes the point that the costs of infrastructure, access and adoption of e-marketing have declined to levels where these no longer present a barrier.

E-marketing leads to standardisation of products and prices as differences among competitors" products are reduced (*Porter M*, article on *Strategy and the Internet, Harvard Business Review, 2001, 79(3):63-7.*)

Several phrases such as digital marketing, internet marketing and e-commerce are applied throughout the literature to include and often expand on the concept of internet and e-marketing. Bharadwaj and Soni (2007:4) in their study offer the following definition: numerous business actions through the use of the internet including selling, purchasing, advertising services and products, are incorporated within e-commerce

Resources-related factors are classified as human resources, financial resources and technological resources (Karjaluoto & Huhtamäki, 2010), and the lack of human resources and financial resources are the biggest barriers of digital marketing usage, this applied to SMEs and larger corporations (Järvinen et al., 2012). In addition, Sayre et al. (2012) suggested the employees' skill of utilizing the channel plays a significant influence of adopting or avoiding digital marketing in SMEs (Sayre et al., 2012).

Digital marketing, unlike traditional marketing, requires "a dialogical communication style, continuous attention and participation as well as content are created" (Heini, Taiminen & Heikki, 2015). Unfortunately, many of the SMEs in Chaozhou are in shortage of more inter-disciplinary talents to achieve this objective. On the other hand, finance factor can't be ignored, especially for SMEs. Digital marketing, at its best, has the advantages of low variable costs compared with the traditional marketing, the fixed costs may still have great impact to SMEs which have limited finance resources. SMEs, traditionally have difficulty in obtaining finance resources from the bank due to "insufficient assets and low capitalization, vulnerability to market fluctuations and high mortality rates" (Rita, 2016), which inevitably create negative impact on the development of SMEs

➤ **Benefits of digital marketing adoption:**

The study will also provide the main benefits that have been achieved by SME's that have implemented digital marketing. There are several benefits of using Internet to market ones products, however the time and cost-saving are the two main reasons of its increased use

The benefits that this study will address but not restricted to these areas:

- Penetration into new markets
- Improved customer services
- Exploitation of network opportunities.
- Reduced costs.
- Provided competitive advantage.
- Increased customer awareness.
- Increased sales.
- Increased efficiency and productivity gains
- Mutual benefit by more available information digital for both customers and SME's

Luisa Piris, et al. (2005) paper on *Strategic Motivators and Expected Benefits from E-commerce in traditional Organizations* in their study strategic motivators and expected benefits from e-commerce in traditional organizations, their study aimed to identify the strategic motivators and expected benefits related to the implementation of e-commerce infrastructures in traditional "brick and mortar" organisations. they chosen six representative organisations from different sectors to explore their rationales for their e-commerce strategies. One of the main benefits reported is to increase the focus on the customer and improving internal communications. Additionally, obtaining competitive advantage was found to be a powerful motivator.

Syed Shah Alam, et al. (2005) published an article on *Perceived Benefits of E-Commerce Adoption in the Electronic Manufacturing Companies in Malaysia, in a Journal of Social*

Sciences 1 (3): pp :188-193 explained the major benefits that motivating to adopt e-commerce in the electronic manufacturing companies in Malaysia. The major benefits of e-commerce adoption include improved customer service, better inventory control and lower marketing and distribution costs, reduced cycle time, increased market reach and reduced operation costs.

In the literature, researchers cited potential benefits of Internet marketing. Some of the benefits mentioned in the research apply to enterprises of all sizes; however, some authors focused on highlighting the ways marketing online can benefit small and medium sized businesses (Harrigan et al., 2011; Kim et al., 2013). Researchers agreed that the benefits of Internet marketing could help small firms become more competitive, yet one of the controversial and underresearched issues was measuring the actual impact of online marketing activities on a firm's performance (Harrigan et al., 2011; Rezvani et al., 2012).

Researchers often compare Internet marketing to traditional media channels such as print, direct mail, radio, and television advertising. Interactivity, personalization, immediate response, flexibility, and precise measurement are some of the advantages of 20 online advertising over traditional media (Hanafizadeh, Behboudi, Ahadi, & Varkani, 2012). Researchers have demonstrated that the use of Internet may help improve a firm's operational and marketing efficiency (Dlodlo & Mafini, 2014; Eid & El-Kassrawy, 2012; Hamidi & Safabakhsh, 2011; Huang & Tsai, 2011). For example, Hamidi and Safabakhsh (2011) cited affordability of online marketing compared to other channels. The Internet offers a range of opportunities for firms to achieve marketing and operational efficiency gains by lowering costs (Boyles, 2011; Hanafizadeh et al., 2012). Therefore, Internet marketing may have a positive effect on the efficiency of marketing expenditures

A benefit of online marketing is the ability to reach wider audiences and advertise anytime and anywhere (Fan & Tsai, 2014; Hamidi & Safabakhsh, 2011; Rezvani et al., 2011). Online marketing may help small firms grow internationally (Bell & Loane, 21 2010). Researchers suggested that small firms could achieve rapid growth, scalability, and efficiency by using web technologies to collaborate, share, and create business opportunities (Bell & Loane, 2010)

An important finding is the positive impact of online marketing on a firm's performance. Dlodlo and Mafini (2014) found a relationship between the use of Internet marketing for the purposes of promotion and intelligence gathering, and SMEs' productivity. Eida and El-Gohary (2013) demonstrated that the adoption of Internet marketing by small businesses positively affected sales, marketing performance, 23 marketing effectiveness, and organizational performance.

Rollins et al. (2013) investigated how companies adjusted marketing strategies during the Great Recession in 2008–2009. Moreover, Rollins et al. (2013) showed that investment in Internet marketing during the recession helped improve companies' chances of survival.

➤ **Importance / Necessity of digital marketing:**

There are several reasons for adopting digital marketing by SMEs and it varies according to the company. Some of the key drivers to go digital would be due to competitive pressure, Global reach, Reduce the cost of marketing activities.

Mehrtens et al. article on *A model of Internet adoption by SMEs, Information and Management, 39, pp :165-176, 2001* suggest three drivers of SMEs' decisions to invest in e-business - perceived benefits, organisational readiness and external pressures. There are three aspects to perceived benefit. First, efficiency benefits arise from improved communication using e-mail. In common with most large businesses, SMEs have embraced e-mail with 90% of SMEs using it regularly after its introduction. Second, effectiveness benefits obtain from the ability to gather research and competitor information. Third, the Internet presents a modern image and improves SME promotion. Identifying new business opportunities is also a perceived benefit

The environmental factors that affect small businesses include pressures from customers, competitors, and regulatory agencies. Dlodlo and Dhurup (2013) found that external pressures had a significant impact on small business owners' decisions to adopt Internet marketing. The immediate network of suppliers, clients, family members, employees, and friends influenced owner decisions to adopt new technologies (Parker & Castleman, 2009). Pentina et al. (2012) confirmed that the social influences by industry experts, competitors, and customers had an effect on the intentions to adopt social networks marketing. The growth of the Internet and advances in technology have revolutionized and transformed the way people live and do business (Wesserman, 2011).

Hanafizadeh et al. (2012) found that companies operating in competitive industries adopted online advertising to stay competitive. Changing consumer behaviour, competitive pressures, and widespread access to Internet are important drivers of online marketing adoption among small businesses (Hanafizadeh et al., 2012; Pentina et al., 2012).

Hanafizadeh et al. (2012) confirmed that SMEs with a higher awareness of Internet advertising benefits had the higher motivation to implement the process. Furthermore, factors that had an effect on adoption included compatibility of Internet marketing with organizational culture, goals, and attitude towards technology (Alam et al., 2011; Dlodlo & Dhurup, 2013).

➤ **Digital marketing methods or activities:**

According to Chaffey (2007). e-marketing consists of such activities as digital advertising, search engine marketing, sponsorship and digital PR. E-marketing activities are the key tools that help digital businesses to become visible for customers through the use of electronic communication technologies.

According to the survey conducted by *Internet and mobile association of India (IAMAI) "A Survey on ICT adoption among MSMEs in India with a special focus on digital B2B marketplaces"*. This aim of the research was to find what are the ICT tools used by MSMEs and the nature and quantum of adoption of digital B2B marketplace. The findings showed that the use of emails and instant messaging are most commonly used ICT tools. The second most common usage of internet was accessing digital B2B marketplace. Third tool was using internet to run their own website. Lastly, digital business promotion/marketing purpose is the fourth most common usage of internet.

According to Colborn (2010) "search engine marketing is the application of all tactical elements associated with the search industry and manipulated to form a plan or strategy to achieve digital goals". Search engine marketing is inherently linked to search engines and can be described as an exercise in the marketing of the website through search engines. SMEs and digital businesses appreciate search engine marketing because it offers a huge quantity of information and possibility to attract huge number customers by being low in cost and open to analysis and research. It may replace one day the traditional marketing techniques. The major search engines are Google, Yahoo, Bing Search etc.

Banner Advertisements are yet another popular mechanism to promote e-marketing activities for a company which would utilize third party websites to place their advertisements as banners. Banner ads are placed in the websites in various visual forms, sizes and colours. Banner ads can contain a small ad with a picture or a brief message. It is usually displayed at the top of the homepage of a website and on which the user is prompted to click. A simple click on the banner leads to the advertiser's site where customers can find information about the product, service or event which is being promoted. Morley, D. & Parker, C. (2009.)

Organizations that used social media in an effective and innovative way had a positive impact on organizational performance and could develop a competitive advantage (Parveen, Jaafar, & Ainin, 2015). While study participants utilized social media, their usage was limited in scope.

➤ Awareness of digital marketing

According to *Sanjay Naygi*, an article on *SME Times, India*(2012) SMEs are usually short term in their thinking and may not be easily able to accommodate changes in their business approaches and hence do not use internet as effectively as they can. There are fears of giving out too much information to competitors and that is another reason they do not adopt the internet. In many cases there may be lack of awareness as well. SMEs are unaware of the potential and hence government should come up with a campaign and give special incentives.

➤ Performance measures of digital marketing

According to *Marc & Kristi's*(2012) article on *Evaluating the effectiveness of internet marketing initiatives*, The internet marketing initiatives are to be measured to know the effectiveness of marketing. The common six metrics used to measure are the website Traffic, Unique visitors, Click stream(A click path of all the pages viewed by the visitor)Time on site, Return on Investment, and CTR(The rate at which users are clicking your paid listings).

Research shows that the ability to measure marketing performance has a significant effect on firm performance, profitability, stock returns, top management satisfaction with marketing, and marketers' reputation within an organization (*Gök, Peker, & Hacıoglu, 2015; O'Sullivan, Abela, & Hutchinson, 2009; O'Sullivan & Abela, 2007; O'Sullivan & Butler, 2010*).

Making justified decisions in this new marketing landscape calls for the combination of creativity and analytical approaches through the use of new technologies. Digital analytics has emerged as a promising technology for tackling measurability challenges by improving the traceability of customer behavior in the digital environment (*Hennig-Thurau et al., 2010*) and automatizing the collection of such data (*Pauwels et al., 2009*). Digital analytics provides marketers with a tremendous amount of data on the effects of marketing stimuli on customer behaviour, and it is therefore argued that MPM in the digital space is not so much an issue of data and measurability, but is rather dependent on a firm's ability to process the data into actionable insights (*Lavalle, Lesser, Shockley, Hopkins, & Kruschwitz, 2011*). Given the magnitude of this problem, surprisingly few studies have delved into the organizational processes and practices needed to support the successful use of digital analytics. Accordingly, in their most recent research priorities report, MSI (2016) called for research on how to use digital data to accurately measure the impacts of digital marketing efforts and optimize the personalized delivery of marketing content through the use of technologies.

CHAPTER 3

Research Methodology:

A research process consists of stages or steps that guide the project from its conception through the final analysis, recommendations and ultimate actions. The research process provides a systematic, planned approach to the research project and ensures that all aspects of the research project are consistent with each other. This part of the chapter helps to understand the research methodology establishing a framework of evaluation and revaluation of primary and secondary research. This chapter describes the study which explains the research design, the target population from which the data comes from, the sampling design, the data collection method, and data analysis method. The techniques and concepts used during primary research in order to arrive at findings; which are also dealt with and lead to a logical deduction towards the analysis and results.

Research Design:

Research design brings out the plan of what the researcher intends to do and how to carry out the research. In short, research design can be summarized as the plan for the collection, measurement and analysis of data (Cooper and Schindler, 2012). This study used the descriptive, frequency and percentage analysis research design.

3.1 Nature of data:

Data collection:

- The task of data collection begins after a research problem has been defined and research design has been chalked out.
- While deciding about the method of data collection to be used for the study, the research should keep in mind two types of data viz. Primary and Secondary.

The research is conducted by accessing the secondary as well as primary sources. The information about both the sources is as followed

3.1.1 Primary data:

Questionnaire method is also very widely used in order to give a structure to the entire study.

Primary data was collected through questionnaire.

3.1.2 Secondary data:

Secondary data for the study were collected from the magazines, websites &

other previous studies. To meet the objectives, the study used qualitative research. The descriptive study was done through review of existing literature that helped in validation and extraction of the important variables and factors. Data was collected from secondary sources. Secondary sources were magazines, websites, books, office executives, and company data.

The secondary sources are utilized to gather qualitative data related with the topic. In this regard different journals, research reports, magazines, books, electronic journals and web portals are accessed and information is gathered from these sources to conduct the analysis of the available secondary data

3.2 Target population & sample:

3.2.1 Population:

Population is defined as the total collection of elements about which one wishes to make inferences (Cooper and Schindler, 2012). According to Levy and Lemeshow (2013), a population is defined as the aggregate pool of components about which a researcher aims to make inferences.

SMEs located in Coimbatore was selected for the research. Predominantly, SMEs located in SIDCO (Small Industries development corporation), Coimbatore was selected due to the vast presence of SMEs in SIDCO.

3.3.2 Sampling Design:

Sampling is defined as the process of selecting a number of individuals for a study in such a way that they represent the larger group from which they are selected (Cooper and Schindler, 2012). This study employed a census study. Levy and Lemeshow (2013) define a census study as a procedure of systematically acquiring and recording information about the members of a given population. Fox and Bayat (2010) define a census as the study of every unit, everyone or everything in a population, it is also known as a complete enumeration which means a complete count. According to Gill and Johnson (2010), a census study provides a true measure of the population by eliminating the sampling error. They further state that a census provides a study with a benchmark data that may be obtained for future studies and a detailed

The study adopts a random sampling method for sample selection.

The respondents were marketing managers and managing director of the companies.

3.2.2 Sample Size:

Cooper and Schindler (2012) define the sample size as a smaller set of the larger population, and argue that the sample must be carefully selected to be representative of the population and the need for the researcher to ensure that the subdivisions entailed in the analysis are accurately catered for. Given the nature of the sampling technique adopted for the study. The sample size of 80 companies were taken for the study in Coimbatore.

3.3 Pilot survey:

Initially, A Pilot study was conducted to study about the effectiveness of research questions before the actual data collection. This technique was used as an indispensable aid for developing the final questionnaire so as to ensure that the questionnaire met expectations in providing accurate information and to assess whether or not respondents understood the questions correctly. Pilot Survey was taken from 10 respondents and some changes in the questionnaire were made.

3.4 Tools used for primary research:

The study relied on primary data which was collected using questionnaires. Fox and Bayat (2010) define a questionnaire as a list of questions on a specific topic compiled by the researcher to which answers and information are required. They further state that the use of questionnaires is cost effective, easy to analyze, familiar to most people, reduces bias and is considered less intrusive. For the purpose of this study, the questionnaires communicated to the respondents the intended and elicited responses in terms of empirical data necessary for analysis. The research questions guided the research instrument.

A total of 100 questionnaires were prepared and out of this, only 90 questionnaires were filled up and collected. 10 questionnaires were rejected on account of incomplete responses. Thus 80 completed questionnaires were used for the present study. The questionnaire included open ended questions, Multiple options, Likert scale.

3.5 Data Analysis Methods:

The study used descriptive analysis. Gill and Johnson (2010) state that, descriptive statistics are brief graphic coefficients that summarize a given data set, which can be either a representation of the entire population or a sample of it. Cooper and Schindler (2010) state that, descriptive statistics are usually broken down into measures of central tendency and measures of variability, or spread. Measures of central tendency include the mean, median and mode, while measures of variability include the standard deviation or variance, the minimum and maximum variables, and the kurtosis and skewness. According to Cooper and Schindler (2008), descriptive analysis involves the process of transforming raw data into charts, tables with frequency distribution percentages to enable full interpretation of data, and for this reason, the questionnaires collected from the

field were checked for completeness. The collected data was then subjected to analysis using Statistical Package for Social Sciences (SPSS) for windows. Data collected on demographic information of the respondent and the firm were analyzed using frequencies and percentages.

Statistical analysis:

The collected data then was analysed using SPSS package.

- Frequency Analysis is used to identify the frequency of respondents for each parameter chosen for analysis.
- Percentage Analysis is used to identify the percentage of respondents for each parameter chosen for analysis.
- Descriptive statistics is used find the central tendency of each factor listed in Likert scale.

CHAPTER 4

Analysis and Interpretation:

In the previous chapter, the research methodology employed to achieve the objectives of the study was discussed. The present chapter deals with the analysis and interpretation of the data collected based on the frame of reference of this thesis.

Data analysis is considered to be important step and heart of the research in research work. Data analysis entails that the analyst break down data into constituent parts to obtain answers to research questions and to test hypotheses. After collection of data with the help of relevant tools and techniques, the next logical step, is to analyze and interpret data with a view to arriving at empirical solution to the problem. This chapter focuses on the analysis and interpretation of data collected for this study and the presentation of data is systematically linked to the format of the questionnaire attached

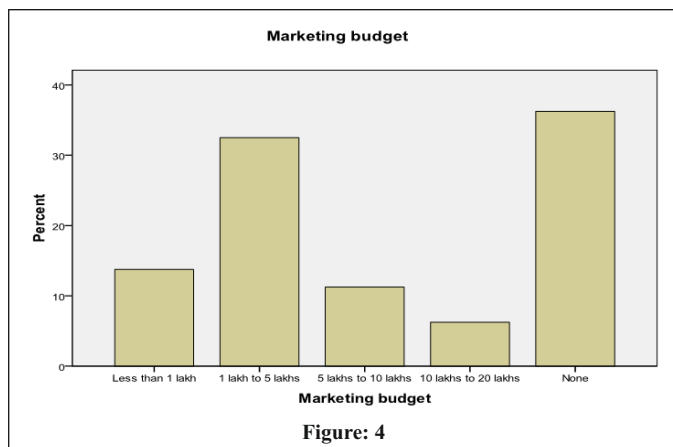
"Data analysis is the process of bringing order, structure and meaning to the mass of collected data. It is a messy, ambiguous, time consuming, creative, and fascinating process. It does not proceed in a linear fashion; it is not neat. Data analysis is a search for answers about relationships among categories of data." - Marshall and Rossman, 1990:111

Hitchcock and Hughes take this one step further: "...the ways in which the researcher moves from a description of what is the case to an explanation of why what is the case is the case." - Hitchcock and Hughes 1995:295

4.1 Frequency table with percentage Analysis for marketing budget allocated by company per year:

Table 1

	Marketing budget	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 lakh	11	13.8	13.8	13.8
	1 lakh to 5 lakhs	26	32.5	32.5	46.3
	5 lakhs to 10 lakhs	9	11.3	11.3	57.5
	10 lakhs to 20 lakhs	5	6.3	6.3	63.8
	None	29	36.3	36.3	100.0
	Total	80	100.0	100.0	



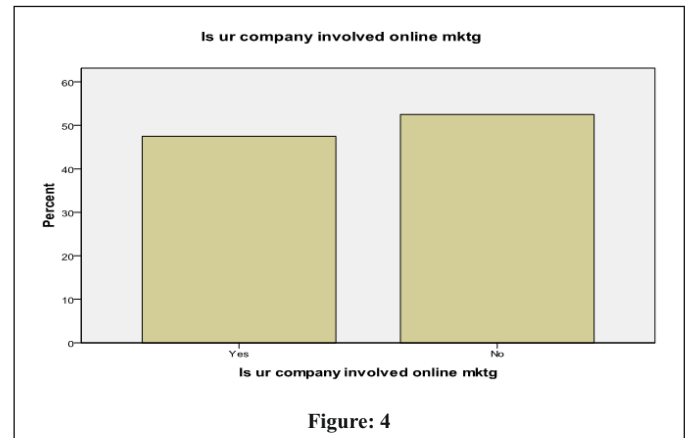
Interpretation:

The above bar chart gives a general opinion of marketing budget allocated by SMEs per year. Around 32 % of SMEs allocate 1 to 5 lakhs per year for their marketing purposes. Other SMEs around 13 % spend less than a lakh, 11% SMEs spends between 5 to lakh and 6% SMEs spends 10 to 20 lakh per year. Also, to note 36% of SMEs predominantly do not allocate any marketing budget.

4.2 Frequency table with percentage analysis : Companies involved in digital marketing:

Table 2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	38	47.5	47.5	47.5
	No	42	52.5	52.5	100.0
	Total	80	100.0	100.0	



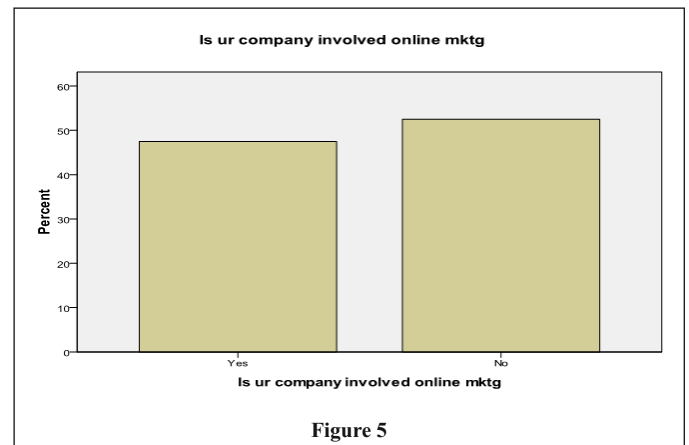
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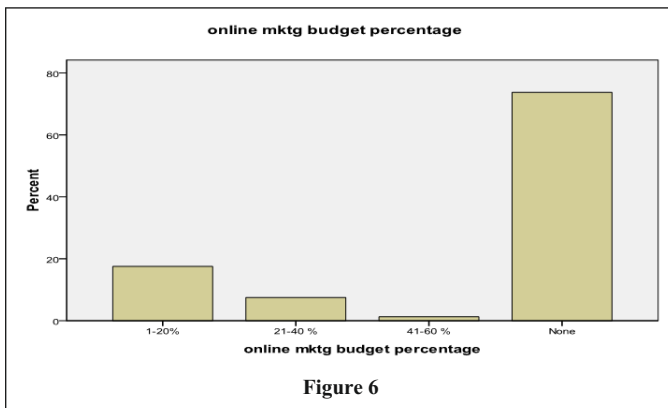
Interpretation:

From the above analysis, it is clearly evident that 53% of SMEs still have not implemented digital marketing. Only 47% of SMEs are currently involved in digital marketing programs.

4.3 Frequency table with percentage analysis: Digital marketing budget:

Table 3

	Digital marketing budget	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-20%	14	17.5	17.5	17.5
	21-40 %	6	7.5	7.5	25.0
	41-60 %	1	1.3	1.3	26.3
	None	59	73.8	73.8	100.0
	Total	80	100.0	100.0	



From the above chart, it can be seen that 75% of companies have not allocated any digital marketing budget.

4.4 Types of advertisement used & effectiveness of them:

The data was initially analysed using percentage analysis. Further analysis is carried out using descriptive statistics with mean calculation.

4.4.1 Frequency & Percentage analysis for types of advertisement and effectiveness of them

Table 4

Ad type-Newspaper					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very effective	39	48.8	56.5	56.5
	Effective	28	35.0	40.6	97.1
	Neutral	2	2.5	2.9	100.0
	Total	69	86.3	100.0	
None	System	11	13.8		
Total	80	100.0			

Interpretation:

From the above data it is clear that out of 80 SMEs which were surveyed, 48% (39 respondent) of companies find Newspaper to be 'very effective' and 35 % (28 respondents) find it 'Effective'. Negligible amount of company find it either effective or ineffective. Hence the Newspaper medium is found to be very effective method of advertising.